

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 ASUNCION 001190

SIPDIS

C O R R E C T E D C O P Y
(TO ADD REFERENCE B. PLEASE NOTE THAT PAR 1
WAS CORRECTED TO INCLUDE REF B)

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SOUTHCOM FOR POLAD DAN JOHNSON

E.O. 12958: DECL: 09/20/2015
TAGS: [PREL](#) [MASS](#) [PTER](#) [ECON](#) [CVIS](#) [PINR](#) [PA](#) [JKJUS](#)
SUBJECT: PARAGUAYAN VP ON ATA TRAINING, CHDS WORKSHOP,
MONEY LAUNDERING, ETC.

REF: A. ASUNCION 1177
[1](#)B. SECSTATE 165412

Classified By: Ambassador John F. Keane for reasons 1.4 (b) and (d).

SUMMARY

[1](#)1. (C) Begin summary: Sept. 15 Ambassador informed VP Castiglioni of State ATA anti-kidnapping training at FBI academy for 24 Paraguayans Dec. 5-16 (ref B.) They also discussed: CHDS security workshop; money laundering and penal procedure reform; and backsliding on airline price deregulation, travel agency fees, and visa flexibilization for AmCits. VP was pleased with training offer following his June trip to Washington, anxious to take advantage of the CHDS strategic seminar, and committed to pushing ML law and addressing setbacks on aviation and tourism. End Summary.

ATA Anti-kidnapping Training

[1](#)2. (C) Sept. 15 Ambassador detailed anti-kidnapping training ATA would fund Dec. 5-16 (ref A) at FBI Academy for 24 police and prosecutors. Noting that this initiative followed the tragic Cubas case, an expert assessment, and the VP,s visit to Washington, the Ambassador said it was a concrete example of bilateral cooperation in attacking the public,s top concern. The VP was grateful and enthused, adding that he would publicize the offer widely and ensure full cooperation in selecting top candidates. The Ambassador and VP agreed the Embassy would work with the Attorney General (AG), Minister of Interior, and Chief of Police to select candidates. The Ambassador announced this initiative to the press following the meeting.

Former AG Latorre to Intel Post

[1](#)3. (C) VP confirmed that President Duarte would soon sign a decree naming former AG Oscar Latorre a Ministerial rank adviser on security issues. This will give Latorre legal status to begin work while they prepare and pass a law establishing a new intelligence service. VP said Latorre will continue out-patient treatment care (rumored to be for cancer) but that he is well enough to begin work as a Ministerial adviser. Castiglioni said someone with a similar health problem had received treatment where Latorre sought help and recovered fully. Latorre has been involved in preparations for the CHDS seminar and could remain a key figure if his health holds up.

Money Laundering (ML), Penal Code Reform

[1](#)4. (C) Ambassador listed ongoing efforts to push ML law and sought continued support. VP noted President had pushed for the law in recent summit with Congress and Supreme Court, that he and others had met with key Senators, and that he understood further meetings were scheduled. The Ambassador agreed, noting that a 9/16 session between experts and key Senate committee chairs was important. Supreme Court president Fretes might not be available, but the meeting was important nonetheless. Castiglioni said Colorado Senator Bader Rachid was a clear problem on the law, although he said he didn,t know why (Note: Post concludes it is Rachid's connections to shady businesses, including in CDE).

Aviation Deregulation and Tourism

15. (C) Ambassador relayed reports that Aviation Director Bittar was holding up supposedly agreed on deregulation of airline operations and prices following the Open Skies agreement. American Airlines rep had told DCM that Bittar had made "major mistakes" and was bowing to pressure from Brazilian carriers. VP said he had heard the same and had WAS CORRECTED TO INCLUDE REF B). called Bittar in for a report. GOP was committed to deregulation, he said. Ambassador then asked about a tourism law that would legally establish commission levels airlines must pay to travel agents; American Airlines has threatened to leave the market if the law goes into effect. Castiglioni was visibly uncomfortable, and argued that he agreed that the law was awful and had urged NDF to veto it. There were counter pressures within his party, however, and he felt isolated on this. He would, he said, raise it with NDF again. Ambassador then asked about long-sought changes to visa processing for AmCits. Catiglioni laughingly said he had been isolated on that issue as well. His plan for a "tourist card" system paid for at the airport in Asuncion was ready, but a scheme was needed to replace revenues the MFA would lose. He said this would be dealt with during upcoming budget discussions.

Comment: An Ally with His Hands Full

16. (C) VP Castiglioni is reflexively pro-U.S. and seeks to expand commercial and political ties with us, even at the expense of upsetting nationalists, populists, and Brazil. Reftel noted President,s impatience with VP,s forward stance on some issues, however, and Castigioni needs to pick his spots. The CHDS workshop (septel) was a great success, but was very low key, at the request of the President and following the pubic uproar over the SecDef visit and military exercises. We will continue to cooperate with the VP to advance major USG priorities and to strengthen those within the GOP friendly to the U.S., but must be wary of burning him with his party or even his President.
KEANE